

Exploring the effects of secondary coverage on Medicare spending

ISSUE: Analysts have long debated how coverage that fills in fee-for-service Medicare's cost sharing affects Medicare program spending. Many researchers believe that secondary coverage raises Medicare spending by shielding beneficiaries from seeing the cost of care. Others believe that past research has overstated this higher spending by failing to control adequately for the tendency of sicker beneficiaries to be more likely to take up secondary coverage.

KEY POINTS: The Commission asked Christopher Hogan, Ph.D. of Direct Research, LLC, to explore this topic with an empirical analysis of data from the Medicare Current Beneficiary Survey. In this session, he will present his results.

ACTION: Commissioners should provide feedback on this research.

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